

**MINUTES OF THE CITY COMMISSION MEETING
MONDAY, NOVEMBER 26, 2012**

The City of Leesburg Commission held a regular meeting Monday, November 26, 2012, in the Commission Chambers at City Hall. Mayor Henderson called the meeting to order at 5:30 p.m. with the following members present:

Commissioner David Knowles
Commissioner Bill Polk
Commissioner Lewis Puckett
Mayor Sanna Henderson

Commissioner John Christian was absent. Also present were City Manager (CM) Jay Evans, City Clerk (CC) Betty Richardson, City Attorney (CA) Fred Morrison, Deputy City Clerk (DCC) Andi Purvis, the news media, and others.

Commissioner Knowles gave the invocation followed by the Pledge of Allegiance to the Flag of the United States of America at the Carver Heights/Montclair Area Community Redevelopment Agency meeting immediately prior to this meeting.

PROCLAMATIONS: None

PRESENTATIONS:

Recognition of years of service:

Police Chief Bill Chrisman recognized Mike Howard for ten years in the Police Department; Allen Carter for twenty years in the Police Department; and Gary Barrett for twenty years in the Police Department.

Director Public Works Ray Sharp recognized Joe Meneley for twenty-five years with Public Works (Water Treatment); and James Feagle for twenty-five years with Public Works (Administration).

CONSENT AGENDA:

Pulled items: 4.C.1 - Agreement with Amscot Corporation for the provision of payment, collection, and remittance of customer utility bills for use by the Department of Finance.

Commissioner Knowles moved to adopt the Consent Agenda except for 4.C.1 and Commissioner Puckett seconded the motion.

The roll call vote was:

Commissioner Polk	Yes
Commissioner Puckett	Yes
Commissioner Knowles	Yes
Mayor Henderson	Yes

Four yeas, no nays, the Commission adopted the Consent Agenda, as follows:

CITY COMMISSION MEETING MINUTES:

Regular meeting held September 24, 2012

PURCHASING ITEMS: None

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RESOLUTIONS:

RESOLUTION 9116

Resolution of the City Commission of the City of Leesburg, Florida authorizing adoption of the Lake County BCC Policy on "Patron Code of Conduct" for the Leesburg Public Library, and providing an effective date.

RESOLUTION 9117

Resolution of the City Commission of the City of Leesburg, Florida authorizing the Mayor and City Clerk to execute a first amendment to a Community Development Block Grant Agreement among, Lake County, West Leesburg Community Development Corporation, Carver Heights/Montclair Area Community Redevelopment Agency, and the City of Leesburg for improvements to Berry Park; and providing an effective date.

RESOLUTION 9118

Resolution of the City Commission of the City of Leesburg, Florida authorizing the Mayor and City Clerk to execute a revised Agreement with Florida Municipal Power Agency to represent Florida Cities in settlement discussions with Progress Energy Florida (PEF) regarding Crystal River Unit 3 (CR3) nuclear power plant negotiations; and providing an effective date.

ADOPTED RESOLUTION 9119 AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH AMSCOT CORPORATION

Commissioner Puckett introduced the resolution to be read by title only. CC Richardson read the resolution by title only, as follows:

RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT WITH AMSCOT CORPORATION FOR THE PROVISION OF PAYMENT, COLLECTION AND REMITTANCE OF CUSTOMER UTILITY BILLS FOR USE BY THE DEPARTMENT OF FINANCE; AND PROVIDING AN EFFECTIVE DATE.

Commissioner Polk moved to adopt the resolution and Commissioner Knowles seconded the motion.

Mayor Henderson requested comments from the Commission and the audience.

Commissioner Polk asked if Amscot will charge City customers \$1.50 each. Finance Director (FD) Bill Spinelli stated yes and Amscot representatives are present.

Commissioner Polk stated the City used to have local banks accepting money and asked if they are not doing this now. FD Spinelli stated no, he and CC Richardson have done research and the banks are no longer in this business.

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Commissioner Polk asked since none of the banks are interested in taking the City's money, will there be any delay in the funds reaching Leesburg. FD Spinelli stated there will be no delay as the funds will reach the City the next day.

CM Evans stated he noticed in the contract under section two of compensation it states Amscot will charge customers who choose to utilize their services an administrative fee of \$2.00 for each approved payment collected.

FD Spinelli stated the corrected contract was given to CC Richardson this evening and our Customer Accounts Manager, Lori Beach, talked Amscot down from the \$2.00 fee to \$1.50 per transaction.

CM Evans stated as clarification to the Commission, the contract should read \$1.50 instead of the \$2.00 as in the agenda packet.

The roll call vote was:

Commissioner Puckett	Yes
Commissioner Knowles	Yes
Commissioner Polk	Yes
Mayor Henderson	Yes

Four yeas, no nays, the Commission adopted the resolution

OTHER ITEMS: None

ADOPTED ORDINANCE 12-68 ACCEPTING A UTILITY EASEMENT FROM MORRISON UNITED METHODIST CHURCH, INC.

City Clerk Richardson read the ordinance by title only, as follows:

ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA, ACCEPTING A UTILITY EASEMENT FROM MORRISON UNITED METHODIST CHURCH, INC., AS GRANTOR, TO THE CITY OF LEESBURG, AS GRANTEE, PERTAINING TO LAND LOCATED IN SECTION 26, TOWNSHIP 19 SOUTH, RANGE 24, EAST, LAKE COUNTY, FLORIDA; AND PROVIDING AN EFFECTIVE DATE.

Commissioner Knowles moved to adopt the ordinance and Commissioner Polk seconded the motion.

Mayor Henderson requested comments from the Commission and audience. There were none.

The roll call vote was:

Commissioner Knowles	Yes
Commissioner Polk	Yes
Commissioner Puckett	Yes
Mayor Henderson	Yes

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Four yeas, no nays, the Commission adopted the ordinance.

ADOPTED ORDINANCE 12-69 ACCEPTING A UTILITY EASEMENT FROM WILLIAM K. GALBREATH

City Clerk Richardson read the ordinance by title only, as follows:

ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA, ACCEPTING A UTILITY EASEMENT FROM WILLIAM K. GALBREATH PERTAINING TO LAND LOCATED IN SECTION 5, TOWNSHIP 19 SOUTH, RANGE 24 EAST, LAKE COUNTY, FLORIDA; AND PROVIDING AN EFFECTIVE DATE. (CR 466A, Fruitland Park)

Commissioner Polk moved to adopt the ordinance and Commissioner Knowles seconded the motion.

Mayor Henderson requested comments from the Commission and audience.

Commissioner Polk asked where exactly this easement is going. CA Morrison stated this is the standard easement form used unless anyone objects and this easement is part of the realignment of boundaries of Sumter Electric. This is a customer who used to be with SECO and has now transferred to the Leesburg system.

Commissioner Polk asked if this is an easement out by the highway. CM Evans stated it is interior to the lot.

CA Morrison stated there should be a drawing attached and this easement is from the service line back to the customer's home.

Commissioner Polk stated this property is actually in Fruitland Park, so the City will not be able to get anyone else out that way.

Director of Electric (DE) Paul Kalv stated yes, no one else would be involved but the entire dairy, thought to be approximately 980 some acres, is within the City's electric service territory.

The roll call vote was:

Commissioner Polk	Yes
Commissioner Puckett	Yes
Commissioner Knowles	Yes
Mayor Henderson	Yes

Four yeas, no nays, the Commission adopted the ordinance.

ADOPTED ORDINANCE 12-70 ACCEPTING AN ASSIGNMENT OF EASEMENT FROM SUMTER ELECTRIC COOPERATIVE, INC.

City Clerk Richardson read the ordinance by title only, as follows:

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AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, ACCEPTING AN ASSIGNMENT OF EASEMENT FROM SUMTER ELECTRIC COOPERATIVE, INC., AS GRANTOR, TO THE CITY OF LEESBURG, AS GRANTEE, PERTAINING TO LAND LOCATED IN SECTION 5, TOWNSHIP 19 SOUTH, RANGE 24 EAST, LAKE COUNTY, FLORIDA; AND PROVIDING AN EFFECTIVE DATE. (CR 466A, Fruitland Park)

Commissioner Puckett moved to adopt the ordinance and Commissioner Polk seconded the motion.

Mayor Henderson requested comments from the Commission and audience. There were none.

The roll call vote was:

Commissioner Puckett	Yes
Commissioner Knowles	Yes
Commissioner Polk	Yes
Mayor Henderson	Yes

Four yeas, no nays, the Commission adopted the ordinance.

FIRST READING OF AN ORDINANCE ACCEPTING A UTILITY EASEMENT FROM SERENA V. SALLET TO THE CITY OF LEESBURG

Commissioner Knowles introduced the ordinance to be read by title only. CC Richardson read the ordinance by title only, as follows:

ORDINANCE ACCEPTING A UTILITY EASEMENT FROM SERENA V. SALLET, AS GRANTOR, TO THE CITY OF LEESBURG, AS GRANTEE, PERTAINING TO LAND LOCATED IN SECTION 22, TOWNSHIP 19 SOUTH, RANGE 24 EAST, LAKE COUNTY, FLORIDA; AND PROVIDING AN EFFECTIVE DATE. (Gaskins Street)

Mayor Henderson requested comments from the Commission and the audience. There were none.

FIRST READING OF AN ORDINANCE ACCEPTING A UTILITY EASEMENT FROM PAMELA AILEEN WAITMAN FIELDS TO THE CITY OF LEESBURG

Commissioner Polk introduced the ordinance to be read by title only. CC Richardson read the ordinance by title only, as follows:

ORDINANCE ACCEPTING A UTILITY EASEMENT FROM PAMELA AILEEN WAITMAN FIELDS, AS GRANTOR, TO THE CITY OF LEESBURG, AS GRANTEE, PERTAINING TO LAND LOCATED IN SECTION 22, TOWNSHIP 19 SOUTH, RANGE 24 EAST, LAKE

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COUNTY, FL.; AND PROVIDING AN EFFECTIVE DATE. (Gaskins Street)

Mayor Henderson requested comments from the Commission and the audience. There were none.

FIRST READING OF AN ORDINANCE ACCEPTING A UTILITY EASEMENT FROM ROCK CAPITAL INVESTMENTS, LLC TO THE CITY OF LEESBURG

Commissioner Polk introduced the ordinance to be read by title only. CC Richardson read the ordinance by title only, as follows:

ORDINANCE ACCEPTING A UTILITY EASEMENT FROM ROCK CAPITAL INVESTMENTS, LLC , AS GRANTOR, TO THE CITY OF LEESBURG, AS GRANTEE, PERTAINING TO LAND LOCATED IN SECTION 22, TOWNSHIP 19 SOUTH, RANGE 24 EAST, LAKE COUNTY, FL.; AND PROVIDING AN EFFECTIVE DATE. (Gaskins Street)

Mayor Henderson requested comments from the Commission and the audience.

Commissioner Puckett asked who is Rock Capital Investments. CA Morrison stated he thinks they are the owners of the property along Gaskins Street.

Community Redevelopment Coordinator (CRC) Chris Edwards stated yes, they are one of the investment owners, a company out of Miami Florida, who just owns the land.

FIRST READING OF AN ORDINANCE ACCEPTING A UTILITY EASEMENT FROM JOHN C. CRAWFORD, II TO THE CITY OF LEESBURG

Commissioner Polk introduced the ordinance to be read by title only. CC Richardson read the ordinance by title only, as follows:

ORDINANCE ACCEPTING A UTILITY EASEMENT FROM JOHN C. CRAWFORD, II, AS GRANTOR, TO THE CITY OF LEESBURG, AS GRANTEE, PERTAINING TO LAND LOCATED IN SECTION 22, TOWNSHIP 19 SOUTH, RANGE 24 EAST, LAKE COUNTY, FL; AND PROVIDING AN EFFECTIVE DATE. (Gaskins Street)

Mayor Henderson requested comments from the Commission and the audience. There were none.

FIRST READING OF AN ORDINANCE AMENDING THE CITY CODE, CHAPTER 22, ARTICLE 1, SECTION 22-5, PERTAINING TO CITY OF LEESBURG ELECTRIC AND NATURAL GAS FRANCHISE AGREEMENTS

Commissioner Knowles introduced the ordinance to be read by title only. CC Richardson read the ordinance by title only, as follows:

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AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING §22 – 5 OF THE CODE OF ORDINANCES PERTAINING TO FRANCHISES FOR ELECTRIC OR NATURAL GAS UTILITIES, TO CLARIFY THE INTENT OF THE ORDINANCE WITH RESPECT TO THE AREAS WITHIN WHICH SUCH FRANCHISES MAY BE GRANTED AS BEING LIMITED TO THOSE AREAS ANNEXED INTO THE CITY OF LEESBURG WHICH ARE ALREADY BEING SERVED BY THE FRANCHISEES; REPEALING CONFLICTING ORDINANCES; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

Mayor Henderson requested comments from the Commission and the audience.

Commissioner Polk asked what exactly is the City doing on this. CA Morrison stated Gas Department Director (GDD) Jack Rogers contacted him to review Chapter 22-5 and the intent of the ordinance was to allow utilities providing electric or natural gas service in areas annexed into the City to obtain a franchise to continue providing those services within that area. CA Morrison and GDD Rogers felt the ordinance was not completely clear and if someone read it literally, it might allow Progress Energy to come in and say they want to serve say Store X on Main Street and this obviously was not what the City intended, so this amendment was put together to make it clear this is for annexations only.

Commissioner Polk stated so this is basically updating what is already in place to make it more understandable. CA Morrison replied yes.

FIRST READING OF AN ORDINANCE AMENDING THE CODE OF ORDINANCES TO REPEAL AND REPLACE IN ITS ENTIRETY CHAPTER 10.5 FLOOD DAMAGE PREVENTION AND PROTECTION WITH THE NEW CHAPTER 10.5 FLOODPLAIN MANAGEMENT

Commissioner Polk introduced the ordinance to be read by title only. CC Richardson read the ordinance by title only, as follows:

AN ORDINANCE BY THE CITY OF LEESBURG AMENDING THE CITY OF LEESBURG CODE OF ORDINANCES TO REPEAL CHAPTER 10.5 FLOOD DAMAGE PREVENTION AND PROTECTION IN ITS ENTIRETY; TO ADOPT A NEW CHAPTER 10.5 FLOOD DAMAGE PREVENTION AND PROTECTION; TO ADOPT FLOOD HAZARD MAPS, TO DESIGNATE A FLOODPLAIN ADMINISTRATOR, TO ADOPT PROCEDURES AND CRITERIA FOR DEVELOPMENT IN FLOOD HAZARD AREAS, AND FOR OTHER PURPOSES; TO ADOPT LOCAL ADMINISTRATIVE AMENDMENTS TO THE FLORIDA BUILDING CODE; PROVIDING FOR APPLICABILITY; REPEALER; SEVERABILITY; AND AN EFFECTIVE DATE.

Mayor Henderson requested comments from the Commission and the audience.

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Commissioner Polk asked how this will affect the local utility customer in Leesburg. Senior Deputy Director of Public Works (SDDPW) DC Maudlin stated this ordinance officially adopts the December 18th edition maps where the flood zones have been shrunk slightly.

Commissioner Polk asked who shrunk the maps and if they are favorable to the City. SDDPW Maudlin stated it was by FEMA and the maps are favorable to the City.

Mayor Henderson asked who is the floodplain administrator for the City. SDDPW Maudlin stated that would be him.

FIRST READING OF AN ORDINANCE AMENDING THE FISCAL YEAR 2011-12 BUDGET FOR THE GENERAL, STORMWATER, ELECTRIC, GAS, AND DISCRETIONARY SALES TAX FOR THE FOURTH QUARTER.

Commissioner Polk introduced the ordinance to be read by title only. CC Richardson read the ordinance by title only, as follows:

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA, AMENDING THE FISCAL YEAR 2011-12 BUDGET FOR THE GENERAL, STORMWATER, ELECTRIC, GAS, AND DISCRETIONARY SALES TAX FUNDS FOR THE FOURTH QUARTER; AND PROVIDING AN EFFECTIVE DATE.

Mayor Henderson requested comments from the Commission and the audience. There were none.

ADOPTED RESOLUTION 9120 AUTHORIZING EXECUTION OF A DOCUMENT REVISION AUTHORIZATION WITH S.H.I. RELATED TO THE MICROSOFT SOFTWARE ENTERPRISE LICENSING AGREEMENT

Commissioner Knowles introduced the resolution to be read by title only. CC Richardson read the resolution by title only, as follows:

RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA AUTHORIZING THE MAYOR TO EXECUTE A DOCUMENT REVISION AUTHORIZATION WITH S.H.I. RELATED TO THE MICROSOFT SOFTWARE ENTERPRISE LICENSING AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

Commissioner Polk moved to adopt the resolution and Commissioner Knowles seconded the motion.

Mayor Henderson requested comments from the Commission and the audience.

Mayor Henderson stated this will cost the City now, but save money in the future.

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IT Director (ID) Stan Carter stated yes, the City has not done an enterprise licensing agreement and in the past when an update was absolutely needed, staff would purchase it out right. This has worked for years to the City's advantage, as it was cheaper, but Microsoft has gotten wise to this. It is now actually cheaper to go on this type of plan which does give staff the ability and flexibility if needed to add additional servers with operating systems. ID Carter stated this agreement has a three year contract with an additional three year extension and in this time, the City will save approximately \$127,000.

Commissioner Polk stated the IT Division is ninety percent allocated or budgeted out of the utilities, so the General Fund will only have to pay ten percent a year. ID Carter agreed.

Commissioner Polk stated so everything is coming out of the utilities except for ten percent which comes out of the general fund and asked if this is the way it was discussed during the budget process. CM Evans stated yes this is the way IT has always been allocated.

Commissioner Polk asked where the savings comes in. ID Carter stated the savings comes in on the first extension which will be years four, five, and six for a total of \$127,000.

The roll call vote was:

Commissioner Knowles	Yes
Commissioner Puckett	Yes
Commissioner Polk	Yes
Mayor Henderson	Yes

Four yeas, no nays, the Commission adopted the resolution.

ADOPTED RESOLUTION 9121 AUTHORIZING THE MAYOR TO SIGN A PROGRAM SIGNATURE FORM FOR MICROSOFT VOLUME LICENSING

Commissioner Knowles introduced the resolution to be read by title only. CC Richardson read the resolution by title only, as follows:

RESOLUTION OF THE CITY COMMISSION OF THE CITY OF
LEESBURG, FLORIDA AUTHORIZING THE MAYOR TO SIGN A
PROGRAM SIGNATURE FORM FOR MICROSOFT VOLUME
LICENSING; AND PROVIDING AN EFFECTIVE DATE.

Commissioner Polk moved to adopt the resolution and Commissioner Knowles seconded the motion.

Mayor Henderson requested comments from the Commission and the audience. There were none.

The roll call vote was:

Commissioner Polk	Yes
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Commissioner Puckett	Yes
Commissioner Knowles	Yes
Mayor Henderson	Yes

Four yeas, no nays, the Commission adopted the resolution.

ADOPTED RESOLUTION 9122 APPOINTING JUANITA JONES TO THE LIBRARY ADVISORY BOARD

Commissioner Knowles introduced the resolution to be read by title only with Juanita Jones name added. CC Richardson read the resolution by title only, as follows:

RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA APPOINTING ONE MEMBER TO THE LIBRARY ADVISORY BOARD TO A FIVE-YEAR TERM, SAID TERM TO EXPIRE ON SEPTEMBER 30, 2017, AND PROVIDING AN EFFECTIVE DATE. (Juanita Jones)

Commissioner Knowles moved to adopt the resolution and Commissioner Polk seconded the motion.

Mayor Henderson requested comments from the Commission and the audience.

Commissioner Puckett asked why this was being done now instead of waiting until the two new elected commissioners are seated.

Mayor Henderson stated they are not appointed by the Commission; they are people who apply and want to serve on the board. Mayor Henderson asked who are the other members on the board.

Library Director (LD) Lucy Gangone stated the Library Board consisted of John Johnson, Carolyn Russell, Sue Geiger, and she apologized for not remembering the other member. LD Gangone stated they are only seeking the re-appointment of Mrs. Jones at this time as her term expired September 30th.

Commissioner Polk stated he thought Sue Geiger had stepped down or maybe is stepping down and asked if the Commission does not appoint these members. Do they just apply to the Library and then are approved by the Commission?

LD Gangone stated Ms. Geiger may intend to step down at the end of her next term, but she was reappointed last year. LD Gangone stated residents apply through the process to become a city board member and have traditionally been approved by the City Commission.

The roll call vote was:

Commissioner Knowles	Yes
Commissioner Polk	Yes
Commissioner Puckett	Yes
Mayor Henderson	Yes

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Four yeas, no nays, the Commission adopted the resolution.

MEMORANDUM FOR 2004 BOND REFUNDING OPTIONS:

FD Spinelli stated staff requested approval to obtain a bank note with SunTrust. Wells Fargo, who has a Debt Service Deposit Agreement (DSDA) with the 2004 bonds, said they would terminate the DSDA with the City because of the private placement and it would be between 1.2 and 1.4 million dollars. Staff met with Jeff Larson, the City's Financial Advisor, and re-ran the numbers to look at options to bring to the Commission. In 2005, when the DSDA was taken out, the City received approximately \$925,000 and if reviewed from 2005 to the present at a two percent rate, it comes out to be 1.2 to 1.3 million dollars, so actually the City is paying off the debt it borrowed. FD Spinelli stated in speaking with the City Manager they decided the City did not prefer to give cash away and gave the following options.

Option 1 - loss to the City of approximately \$3.1 million (PV savings);

Option 2 - Gross savings of \$4,178,750 less \$1,300,000 termination fees (annual savings of approximately \$155,000);

Option 3 - Annual savings from option #2 goes from \$155,000 to \$65,000;

Option 4 - There should be no termination requirement, which saves the City \$1.3 million. Bond issuance costs will be higher.

FD Spinelli stated to look at Option 1 would be to do nothing; Option 2 is give cash; Option 3 is the ability to go to the SunTrust loan and borrow up to the maximum of the loan and finance the majority of the 1.3 million dollars, but this would give the City less cost savings overall; and Option 4 is to go out to the bond market, which was what Wells Fargo suggested the City do. Wells Fargo also stated they will not terminate the DSDA if the City used the bond market; however, the City will have higher bond issuance costs which will help eliminate the savings of the 1.4 million. FD Spinelli stated the good thing since the election is the municipal bond market has gone down and interest rates are actually lower than the 3.21 percent SunTrust gave the City.

Commissioner Polk asked if the City goes back to the bond market will the terms be at a twenty or thirty year rate. FD Spinelli stated thirty years.

Commissioner Polk stated with SunTrust the City had a twenty year rate so the difference between a twenty and thirty year rate is a great amount of money interest wise and stated he would rather borrow money for twenty years.

City Financial Advisor (CFA) Jeff Larson stated in comparing apples to apples, the City assumed Wells Fargo, which used to be Wachovia, would work with staff so at this point the City could only go out twenty years with a bank. Banks will not lend longer than twenty years and the City is very fortunate the bank agreed to work with it. Staff thought they had an agreement to amend and even involved the assistance of the City Manager who went to the very highest levels of Wells Fargo but ran into legal and policy issues.

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This was not a risk issue or a financial one, but Wells Fargo did not want to amend the agreement if there was a private placement to a bank. CFA Larson stated the current bonds issued in 2004 are for a thirty year term so the terms would not be extended and there is no new money involved. The City would be able to pick up the last two maturities which have a five percent coupon in 2033 and 2034 because you can do a twenty-two year in effect bond issue versus a twenty year bank loan.

Commissioner Polk asked what the renegotiating cost would be if the City stayed with Wells Fargo. CFA Larson stated with Option 2 and 3 if the Commission decides to address or desires to unwind or cancel this investment agreement, there are two ways to address it; either with cash or by financing up to the amount the Commission previously approved with the SunTrust loan. Either way the City is out of pocket 1.2 to 1.4 million in cash or financing this amount and the savings goes down.

Commissioner Polk stated initially the amount was \$925,000 but now has grown to 1.3 million.

CFA Larson stated in terms of average annual savings, if Option 3 is taken, which is financing the one time termination cost, which changes every day, and if financed the savings is about \$155,000 a year had this closed on November 7th. If taking the 1.4 million and modify it this reduces the savings by about \$90,000 a year and as the budgetary savings goes down, the City is still within its three percent minimum debt management policy which does not make us happy having to deal with the 1.4 million. CFA Larson stated one option discussed with City Management and the Finance Department is what if the 1.4 million is not addressed today because once spent or refinanced the City is locked in and if the City waits two or three years CFA Larson stated he does not think rates will be this low. CFA Larson stated he does not recommend using cash or financing today, but it is the Commission's decision and reminded the Commission the City only received one bank response on the twenty year deal on Electric and Utility and no bank responded on the general fund deal which was going to go to the markets anyway for the twenty-two years refinancing. Rates now will go up, go down, or stay where they are today because of the election and people's fears of tax rates going up because of the equity market and people buying bonds which are all good things for those in the bond business. CFA Larson stated one of the ideas is does the City want to address the 1.4 million and codify it, Option 2 or 3, or proceed because of the City's ratings and good staff proceeding expeditiously with a bond financing, amend the agreement with Wells Fargo avoiding the 1.4 million and go to the bond market on all three of those which is Option 4.

Commissioner Knowles asked CFA Larson if his recommendation would be to do a twenty-two year bond issue for the three items and proceed quickly in 2013.

CFA Larson stated it is a sixty to ninety day process so starting work as soon possible would be either in January or February. SunTrust has been very good and easy to work with and agreed to extend the loan twice with a three point one eight percent rate to the end of November when the City thought they could get Wells Fargo to agree, but could not. This is not a financial thing; it is a legal policy issue.

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CM Evans stated he basically put forth the offer to Wells Fargo if the City just parked the 1.4 million in their bank, not giving it to them, just using it as collateral and they said no, this option does not work for them. This 1.4 million puts a hole in the City's potential savings so now bond issues suddenly look better plus with the interest rates going down and the possibility of picking up the 2033 and 2034 parts and now including the 2004 capital improvement bond issue, it starts to make sense to do bonds. CM Evans stated it will more work on staff and the costs are potential higher, but simply doing the math makes sense.

Commissioner Puckett stated he does not think things will be getting any cheaper and knows Wells Fargo pays him less than one percent right now and they are loaning it to the City for three point two one percent. CFA Larson stated SunTrust's fixed rate for the City was twenty years at three point two one percent.

Commissioner Polk stated prior to today the City had agreed to a deal, of course we did not know they were going to call in the note and so if the Commission agrees on something tonight, how certain are we the deal will go through.

CFA Larson stated he will speak with Wells Fargo Senior Executive in Charlotte, North Carolina and ask they speak not just with him directly, but they also call the City's Finance Director.

FD Spinelli stated he spoke with Casey Rogers in Charlotte and was told if the City goes out to the bond market, Wells Fargo will amend their agreement. CFA Larson stated correct and he has worked heavily with the Wells Fargo staff, both the bankers and Investment bankers here in Florida, to help with the head office level decision.

Mayor Henderson stated the annual savings under Option 2 is approximately \$155,000 and asked what the savings was before. CFA Larson stated if the City had proceeded as approved and planned the total savings was approximately 3.1 million with the average annual savings of roughly \$157,000.

Mayor Henderson stated so it is only a difference of a couple thousand. CFA Larson stated no, the \$156,000 goes down by \$90,000 if the City borrows the 1.4million out of the SunTrust loans so the annual savings would be approximately \$65,000.

Mayor Henderson stated Option 4 might be a little iffy, but the City is not losing anything from what it has right now. CFA Larson stated the City is not giving up its cash, not financing the 1.4 million and he believes if the rates stay anywhere near where they are today, the City could even do better on the bond issue.

Commissioner Polk stated it is not going out any further time wise. CFA Larson stated no.

CM Evans stated with no new money. CFA Larson confirmed no new money and stated these bonds mature in 2034, so the City would pick up the 2033 and the 2034 maturity which was beyond the ability of the bank to do so there is a benefit.

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Commissioner Knowles moved to approve Option 4 and Commissioner Puckett seconded the motion.

Commissioner Polk asked CFA Larson his recommendation.

CFA Larson stated he was waiting for the comments from the Commission and stated he would support either option, but the 1.4 million bothers him. CFA Larson stated he thinks he would rather avoid this and not have the City come out with cash and finance especially when he knows the way the interest product works.

Mayor Henderson asked CFA Larson if his recommendation would be Option 3 or 4.

CFA Larson stated his recommendation would be Option 4 as he does not like financing the 1.4 million.

Mayor Henderson asked FD Spinelli if Option 4 was also his recommendation. FD Spinelli answered yes.

Commissioner Polk asked if the bank is going to reduce the City's interest rate, how they will work this out with the bonds. CFA Larson stated there are two transactions; the 2004 bond issues and Wells Fargo separate investment agreement. Wells Fargo staff has told CFA Larson and independently the City's Finance Director, they will amend their investment agreement to allow the City to proceed and not charge the 1.4 million.

The roll call vote was:

Commissioner Polk	Yes
Commissioner Puckett	Yes
Commissioner Knowles	Yes
Mayor Henderson	Yes

Four yeas, no nays, the Commission adopted the recommendation to go forward with Option 4 as presented.

CFA Larson stated he will come before the Commission as soon as possible to get the initial authorizing resolution approved.

Commissioner Polk asked CFA Larson if he was going to start negotiating right away. CFA Larson said staff will start preparing the underwriting RFP and stated the earliest is when the bonds are priced and with many people out in December, the earliest it will be is February or March 2013 pricing.

CM Evans stated the City has to assemble the team first to make this happen.

INFORMATIONAL REPORTS: None

CITY ATTORNEY ITEMS: Nothing

CITY MANAGER ITEMS: Nothing

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PUBLIC COMMENTS: None

ROLL CALL:

Commissioner Polk – nothing.

Commissioner Puckett – nothing.

Commissioner Knowles – nothing.

Mayor Henderson stated she has not seen the Christmas lights yet, but is sure they are beautiful and commended the Fire Department and new Commissioner Elect Jay Hurley for all their work to help with Christmas Tree Lane at the Leesburg Lake Shore Mobile Home Park this year.

Commissioner Elect Hurley stated they had approximately seventy community volunteers and even our own City Manager Jay Evans was out on a ladder hanging lights.

Commissioner Polk stated he understood the park sold and the new management was not interested in doing the Christmas tree lane this year and asked if anyone had spoken with them on their intentions.

Commissioner Elect Hurley stated it is actually a combination of three things; new ownership, an agreement the park would pay for the decorations and the expense each year with the candy canes and then the residents did the labor and put it on. Last year someone tripped and the new park management was concerned about the liability aspects and wanted damage waivers signed. Commissioner Elect Hurley stated management did agree to let volunteers go ahead with the labor and set up and also pitched in a portion of the funds, so now we are raising the additional funds needed.

Mayor Henderson asked how much funds were needed. Commissioner Elect Hurley stated they are trying to raise \$500 for total of \$1000, most of which will be for new Christmas lights as they burn out and for the candy canes Santa hands out to the children.

Mayor Henderson also stated she has received a letter from the Florida Department of Corrections requesting a community leader attend a meeting Thursday, December 13th, at the training building at the Department of Corrections. **Mayor Henderson** gave the letter to CM Evans if anyone wanted more information.

Mayor Henderson also received a Letter from Representative Larry Metz who stated Jennifer Wiley is the new person to work with on the South Street school zone issue and she will be contacting the Mayor to schedule the second meeting soon. CM Evans stated DOT has not informed Representative Metz and an email was received today with the proposed date for the meeting.

MINUTES OF THE COMMISSION MEETING HELD NOVEMBER 26, 2012

ADJOURN:

Commissioner Knowles moved to adjourn the meeting and Commission Polk seconded the motion. The meeting adjourned at 6:39 p.m.

Mayor

ATTEST:

Betty M. Richardson
City Clerk

J. Andi Purvis
Recorder